

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

January 15, 1952

TELEPHONE ENGINEERING MEMORANDUM 525

SUBJECT: Amendments to Construction Contracts

The procedures established by this memorandum shall be followed in the preparation of all amendments to Construction Contracts. It should be noted that in no case shall the borrower's engineer release to the contractor assemblies for which prices have not been approved either in the Construction Contract or a Construction Contract Amendment nor shall he release to the contractor construction in areas not previously approved by REA.

(1) Amendments shall be prepared in triplicate by the borrower's engineer using REA Form DS-T-26, a copy of which is attached. All three copies shall be executed by the parties to the original contract. When persons other than a partner, if the contractor is a partnership, or the president, if the contractor is a corporation, or the contractor himself, if the contractor is an individual, shall execute the amendments, evidence of such persons' authority to execute shall accompany the amendment in the form either of a resolution of the board of directors, or a certified copy of a bylaw provision in the case of corporations or a power of attorney in the cases where the contractor is a partnership or individual, unless such evidence of authority sufficient to cover the amendment in question has previously been submitted to REA. The borrower's engineer shall be responsible for the proper execution of the amendment.

(2) Any alterations or erasures shall be initialed and dated by the persons executing the amendment on behalf of the contractor and the borrower.

(3) A complete statement of purpose shall be attached to each amendment. In those instances where miles of line or subscribers are changed, a statement of construction, REA Forms DS-T-27A and DS-T-27B shall be included with the statement of purpose showing the miles of lines and the number of signed and prospective subscribers added or deleted.

(4) When an amendment by itself or together with preceeding amendments increases the maximum contract price (page e6 of the Construction Contract, REA Form DS-T-10), by an amount which exceeds 20 percent of the maximum contract price, an Extension to the bond covering the amount of the increase must be executed in triplicate by the contractor and surety (bonding company). A sample copy of the form of Extension is attached. The Extension must reflect the actual increase of the Construction Contract price. This increase is found by adding or deducting respective increases or decreases shown on all previous amendments including the one being submitted for approval. The Extension shall be filled out completely and accurately. Approval of the amendment cannot be given unless the Extension is supplied.

(5) An estimate of future requirements to be covered by additional amendments shall be included with each amendment.

The following additional steps apply only to amendments which affect the number of miles or the locations of lines and the subscribers served thereby:

(1) Mileage or subscribers in addition to those included in the Construction Contract may be proposed by amendment if construction funds are available as such, or as some contingent item which could be released for construction purposes. There shall be an appropriate resolution by the board of directors, and the borrower's engineer shall obtain clearance from REA before preparing an amendment to use funds in excess of those set up in the budget for construction purposes.

(2) Such an amendment proposing construction of lines to serve subscribers or areas not covered by any allotment will receive study as to feasibility by the Applications and Loans Division.

The borrower's engineer will be responsible for including with each copy of the amendment the following:

- (a) Such reduced-sized key and detail maps as may be necessary to show the mileage and subscribers affected by the amendment.
- (b) A detailed breakdown of mileage changes showing the number of miles added and deleted. The "Statement of Construction," Forms DS-T-27A and DS-T-27B shall be used for this purpose.
- (c) A list of the names and locations of signed and prospective subscribers added and subscriber Survey Tabulations for such subscribers.
- (d) A list of the names and locations of signed and prospective subscribers deleted from the Contract with detailed reasons for such deletion.

(e) A certified copy of the resolution adopted by the board of directors authorizing the additions and deletions proposed and authorizing the expenditures of funds.

(f) A revised Transmission Study of all subscriber loops exceeding 1,000 ohms in that part of the system affected by the proposed amendment.

A supply of Form DS-T-26 is available from REA.

J. K. O'Shaughnessy

J. K. O'Shaughnessy
Chief, Engineering Division

Attachments

Sample Form of Bond Extension

Request for Construction Amendment, REA Form DS-T-26

(This is a sample of information required on a Bond Extension.)

BOND EXTENSION

The Contractor's Bond, dated _____, 19 _____, executed
by _____, hereinafter called the
"Contractor," as Principal, and _____,
as Surety, in connection with the Construction Contract, dated
_____, 19 _____, between the Contractor and _____
_____, for the Rural Electrification
Administration Project _____, is hereby extended
to cover Amendment No. _____, dated _____, 19 _____, in the
amount of _____. The penal sum of the Contractor's Bond
is hereby increased from \$ _____ to \$ _____.

Executed this _____ day of _____, 19 _____

Principal

By _____
President

Attest:

Secretary

Surety

By _____
Attorney-in-Fact

Countersigned By:

Resident Agent

(To be submitted in triplicate, together with one copy of power-of-
attorney, for attorney-in-fact of Surety)

System _____

Request for Construction Contract Amend. No. _____

Date _____

The Administrator
Rural Electrification Administration
Washington 25, D. C.

The proposed amendment No. _____ to Construction Contract No. _____, dated _____, is hereby submitted for your approval. Data pertinent to the original contract, all subsequent amendments and this proposed amendment are listed below:

	Route Miles	Subscribers		Cost
		Signed	Potential	
Original Contract				\$
Amendment No. 1				
Amendment No. 2				
Amendment No. 3				
Amendment No. 4				
Amendment No. 5				
Amendment No. 6				
Total with this amend.				\$

(Note--Values may be plus or minus) Bond Extension attached Yes ☐ No ☐

For additional data refer to Statement of Construction, REA Forms DS-T-27A and DS-T-27B dated _____, which are attached hereto and made a part hereof.

The construction period will be changed to _____ days.

New Counties (if any) _____

Description and reason for change: _____

Details of proposed changes are tabulated on pages 2 to _____ attached and are a part of this proposed amendment.

This request for an increase/decrease of \$ _____ in the amount of said Construction Contract is submitted pursuant to the provisions thereof and pursuant to the Construction Loan Contract dated _____, between the United States of America and the undersigned Borrower. You are hereby authorized to approve the above requested changes either in whole or in part and to delete such items as do not meet with your approval. To the extent the items hereof are approved by you this request shall be an amendment to said Construction Contract.

ACCEPTED:

(Contractor)

By _____

*President-Owner-Partner

Date _____

(*Strike out inapplicable title.

If signed by other than above,
power of attorney should be at-
tached or on file with REA)

(Borrower)

By _____

Date _____

APPROVED:

(Engineer for the Borrower)

Date _____

PROJECT _____

AMENDMENT NO. _____

PAGE _____ of _____ PAGES

ITEM NO.	ASSEMBLY OR CATALOG NUMBER	QUANTITY PREVIOUSLY APPROVED	NET CHANGE NUMBER OF UNITS	*CONTRACT AMENDED TO READ				TOTAL COST	TOTAL INCREASE COST	TOTAL DECREASE COST
				NUMBER OF UNITS	LABOR	UNIT MATERIAL	PRICE TOTAL			
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NET TOTAL										

* Show quantities and prices as revised by this amendment. ** Carried forward from previous page

